

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF)	
AUXIER ROAD GAS COMPANY, INC.)	CASE NO. 10288-FF

ORDER

On April 10, 1991, in Case Nos. 10288-D and 10288-E, the Commission approved the Gas Cost Adjustment ("GCA") Clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.

On August 28, 1998, Auxier filed its GCA to become effective from October 1, 1998 to January 1, 1999.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. In its notice of August 28, 1998 Auxier proposed rates designed to pass on its decrease in wholesale gas costs to its customers. Auxier's proposed expected gas cost ("EGC") is \$3.1503 per Mcf, a decrease of 1.57 cents per Mcf from the prior EGC.
2. Auxier's notice set out no refund adjustment.
3. Auxier's notice set out a current quarter actual adjustment ("AA") of (2.20) cents per Mcf to reconcile gas cost from April, May, and June 1998. The total AA of 2.40 cents per Mcf reflects the current over-recovery as well as under- and over-

recoveries from previous quarters. The total AA represents a decrease of 4.20 cents per Mcf from the total AA previously in effect.

4. Auxier's notice set out a current quarter balance adjustment ("BA") of (2.00) cents per Mcf. The total BA of (4.30) cents per Mcf is composed of the current and previous quarter Bas, and represents a decrease of 1.5 cents per Mcf from the total BA previously in effect.

5. These adjustments produce a gas cost recovery rate of \$3.1313 per Mcf, a decrease of 7.27 cents per Mcf from the prior rate of \$3.2040 per Mcf.

6. The rate adjustment in the Appendix to this Order is fair, just and reasonable, in the public interest, and should be approved for service rendered on and after October 1, 1998.

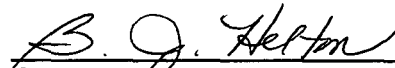
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after October 1, 1998.

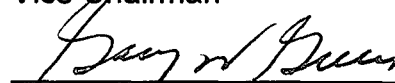
2. Within 30 days of the date of this Order, Auxier shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29th day of September, 1998.

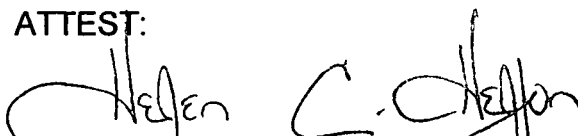
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10288-FF DATED SEPTEMBER 29, 1998

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$5.11	\$3.1313	\$8.2413
All Over 1 Mcf	4.2599	3.1313	\$7.3912